GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6672
ANSWERED ON:10.05.2002
NON-BANKING FI`S
ALE NARENDRA;VSM (RETD.) COL. CHOUDHARY

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have collected any data about the public funds deposited with Non-banking Financial companies functioning in the country;

(b) if so, the total estimated amount of money of these companies including those companies which have gone underground after duping the money of thousands of innocent persons during the last three years;

(c) whether any rescue package for innocent investors is under consideration of the Government; and

(d) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) :- Reserve Bank of India (RBI) has reported that the details of public deposits with Non-Banking Financial Companies (NBFCs) during the last three years are as follows :-

(Rs. In crores)

Year ended	Total public deposits
31.03.1999	20428.93
31.03.2000	19341.72
31.03.2001	18450.57

(c) & (d) :- Comprehensive regulatory framework has been put in place which is aimed at protecting the interests of the depositors and ensuring that NBFCs function on sound and healthy lines. The regulatory framework includes, inter-alia, compulsory registration, maintenance of liquid assets, transfer of at least 20% of net profit to reserve fund and empowering RBI to issue directions to NBFCs. RBI takes various actions against errant NBFCs for various defaults and contravention of provisions of RBI Act and directions issued thereunder. Government has introduced Financial Companies Regulation Bill,2000 in the Lok Sabha on 13th December, 2000. The Bill has been referred to Standing Committee on Finance by the Hon`ble Speaker, Lok Sabha.